

BAL HARBOUR VILLAGE POLICE OFFICERS' PENSION PLAN AND TRUST

Bal Harbour Village Hall, 2nd Floor Conference Room
655 – 96th Street, Bal Harbour, FL 33154
REGULAR QUARTERLY MEETING – JULY 25TH, 2016

1. Call to Order – Chairman Paul Eppler called the meeting of the Bal Harbour Village Police Officers' Pension Plan to order at 3:03 P.M.

Roll Call

Present

Paul Eppler, Chairman
Dr. Abraham Gotman, Secretary
Hector Gonzalez

Absent

David Levin
Daniel Gold

OTHERS PRESENT: Gregg Gosch from Sawgrass Asset Management, Brendon Vavrica from The Bogdahn Group, Patrick Donlan from Foster & Foster, Paul A. Daragjati, Esq., from Klausner, Kaufman, Jensen & Levinson, in conjunction with Stephen H. Cypen., Esq., Attorney for the Plan, who was absent, and Joan L. Wall, Clerk to the Board of Trustees.

2. Additions/Deletions to Agenda –

- The Salem Trust invoice listed on the agenda as "not available" will be deducted from the remaining cash in the account in the amount of \$1,907.65 when the last transfer to Fiduciary Trust is made.
- The invoice from The Bogdahn Group in the amount of \$4,386.72 was received, bringing the total of Warrant #094 to \$55,225.94.

3. Approval of Minutes for Meeting of April 25th, 2016. Chairman Eppler presented the minutes from the previous meeting for approval. Hector Gonzalez moved to approve. Dr. Gotman seconded the motion. The motion carried unanimously.

4. Approval of Warrant #094. Chairman Eppler presented the invoices listed on the agenda including the recently received invoice from The Bogdahn Group for approval and payment. Hector Gonzalez moved to approve payment. Dr. Gotman seconded the motion. The motion carried unanimously, authorizing payment of the following:

Cypen & Cypen, May, June & July, 2016 Retainers @ \$2,000	\$ 6,000.00
Joan L. Wall, 4/18 – 7/17/16, 71¾ hrs @ \$46.79, plus expenses \$177.97	\$ 3,535.18
Sawgrass Asset Management; Investment Fee for Qtr Ending 6/30/16	\$23,935.54

The Bogdahn Group, Performance Report for Qtr Ending 6/30/16		\$ 4,386.72
Holland & Knight, Invoice #3345517, dated 5/23/16		\$ 627.50
Foster & Foster, Invoice #8639, dated 4/25/16	\$10,741.00	
Foster & Foster, Invoice #8997, dated 7/15/16	\$ 6,000.00	
<u>TOTAL</u>		<u>\$16,741.00</u>
<u>TOTAL For Warrant #094</u>		<u>\$55,225.94</u>

5. UNFINISHED BUSINESS – None.

NEW BUSINESS

6. a) Foster & Foster – Presentation of Experience Study/Discussion. Mr. Donlan reviewed with the trustees the results of the Experience Study, stating the only mandated change was the new mortality table. After a brief review, Hector Gonzalez moved to table the matter until the next meeting when the other trustees were present. Dr. Gotman seconded the motion. The motion carried unanimously. Mr. Donlan stated he would be available via speakerphone.

6. b) Gregory Gosch, Sawgrass Asset Management – Investment Report. Despite the fall in value of stocks due to the “Brexit” event, they rebounded quickly with the S&P 500 posting a modest gain of 2.5% for the quarter. The portfolio fared relatively well by outpacing the index for the quarter. It was a mixed bag as our lower volatility profile was rewarded, while favorable valuation characteristics were a drag on performance. The market remains in a trading range which began in May 2015. Until we see evidence of either more robust growth or more favorable valuations, we will continue to emphasize our risk conscious tone of the portfolio. What helped in the quarter was strong stock selection in healthcare, lower volatility and lower beta. What hurt was weak stock selection in Staples.

6. c) Brendon Vavrica, The Bogdahn Group – Performance Report for June 30th, 2016. The compliance checklist reflected all positive answers. Asset allocation was 59.0% Domestic Equity, 36.9% Domestic Fixed Income and 4.1% for Cash Equivalents with a market value of \$19,158,739, up \$160,613 since the last quarter. The fund returned net of fees 1.37% for the quarter, 4.45% for one year, 8.52% for three years and 8.75% for five years as compared with the fund policy returns of 2.11%, 4.38%, 8.26% and 8.53% for the same time periods, with the fund outperforming all time periods except the current quarter.

6. d) Review/Accept – Net DROP Return of 1.37% for the Quarter Ending June 30th, 2016. Based on information provided by the plan’s professionals, Hector Gonzalez moved to accept. Dr. Gotman seconded the motion. The motion carried unanimously.

6. e) Review/Approve – Projected Budget for the Fiscal Year Ending September 30th, 2017. The budget for the year ending September 30th, 2016 was \$248,800. Expenses for this time period were \$209,077.07, indicating the budget had not been exceeded. The budget for the coming year was estimated at \$254,500. Hector Gonzalez moved to approve the coming year budget of \$254,500. Dr. Gotman seconded the motion. The motion carried unanimously. The projected budget will be provided to the Village and the Division of Retirement prior to fiscal year end.

6. f) Holland & Knight – Request for increased hourly billing rate from \$250 to \$315. Attorney Daragjati suggested he review the matter. Hector Gonzalez moved to table the matter until the next meeting. Dr. Gotman seconded the motion. The motion carried unanimously.

6. g) Status of Ordinance Amending Plan to comply with IRS. The Finance Director stated prior to the meeting that the ordinance would be placed on a September meeting agenda for 1st reading. Attorney Daragjati recommended forwarding the ordinance along with the actuary's letter of no impact to the Division of Retirement offices with the pending information about first reading.

6. h) Schools/Conferences

- **FPPTA**, Fall Trustees School, September 25 – 28, 2016, Hyatt Regency Coconut Point, Bonita Springs, FL
- **2016 IPPFA MidAmerican Pension Conference**, October 4 – 7, 2016, Grand Geneva Resort & Spa, Lake Geneva, WI
- **NCPERS**, 2016 Public Pension Funding Forum, August 21 – 23, 2016, Omni New Haven Hotel at Yale University, New Haven, CT

7. Input from Active/Retired Members – None.

8. Trustees' Concerns – None.

9. Public Comments – None.

10. REPORTS

- **Attorney – None.**
- **Board Clerk –**
 - **Audit for 2016.** The Finance Director advised the Village is sending out an RFP for auditors. Michael Futterman of Marcum advised their fees to the Police board in the past were reduced (\$8,000 for the prior year) due to coordination with the Village audit. In the event Marcum was not selected as auditors for the Village and the board would like Marcum to handle the audit of the Police plan, their fee would be \$14,500. If nothing had been heard from the Village by mid October regarding their auditor selection, if there would be an arrangement for that auditor to provide

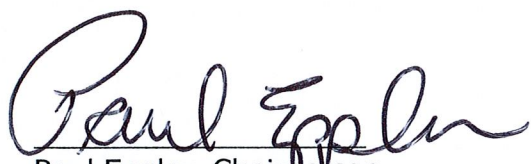
services to the Police board at a reduced fee, the trustees agreed by consensus to engage the services of Marcum for a fee of \$14,500 for the current fiscal year audit. An engagement letter would be presented to the trustees at the October 25th, 2016 meeting for approval.

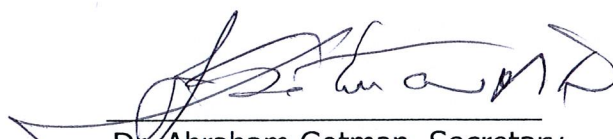
- **Status of Changing Custodians** –Worked smoothly
- **Other** - On 7/1/2016 the annual disclosures that satisfy the October 1, 2015 financial report requirements made under Section 112.664 were forwarded to the Village Clerk for posting on the Village website. Copies would be provided if requested.

11. Next Meeting Date/Adjournment. Chairperson Eppler announced the next regular quarterly meeting would be held on Monday, October 24th, 2016 at 3 P.M.

There being no further business before the board, Hector Gonzalez moved to adjourn at 4:35 P.M. Dr. Gotman seconded the motion. The motion carried unanimously.

Respectfully submitted,


Paul Eppler, Chairperson


Dr. Abraham Gotman, Secretary